



Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

April 9, 1990

TO: Board of Oil, Gas and Mining

THRU: Lowell P. Braxton, Associate Director, Mining *LO3*

THRU: Wayne Hedberg, Permit Supervisor *DWH*

FROM: Holland Shepherd, Reclamation Specialist/Permit Lead *HWS*

RE: Request for Board Approval of the Form and Amount of Surety for the Copperton Concentrator, 4th Line Expansion Permit Amendment, Bingham Pit Mine, Kennecott Utah Copper Corporation, M/035/002, Salt Lake County, Utah

Kennecott Utah Copper Corporation recently submitted a request to amend their existing UCD Modernization Project plan. The amendment, for clarity, is entitled the Copperton Concentrator 4th Line Expansion. The expansion calls for an increase in the plans disturbed acreage from 588 to 605, or 117 acres. The expansion will encompass the addition of new facilities and reconstruction of existing facilities (see executive summary). The 4th Line Expansion was evaluated by the Division according to R613-004-119 as an amendment vs a revision.

*11* The Division issued a tentative approval for the 4th Line amendment on April 6, 1990. Upon the Board's acceptance of the amount and form of reclamation surety, the Division will issue formal written approval to Kennecott Utah Copper Corporation.

The UCD Modernization Project site is currently bonded for \$8,263,990; the 4th line Expansion will require that the operator post an additional \$5,017,000. The operator has elected, at this time because of time constraints, to post this amount (\$5,017,000) via an Irrevocable Letter of Credit (copy attached). At a later date, the operator will provide a new surety for the entire amount of \$13,280,990. This surety will eventually cover the entire Modernization Project site.